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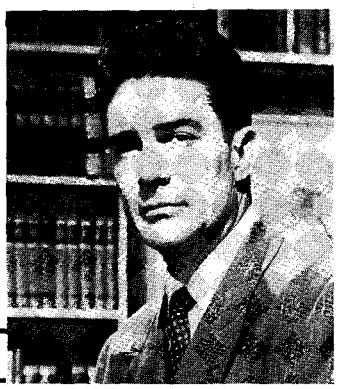

DAN SMOOT

URBAN RENEWAL AND A SOVIET AMERICA— PART I

In 1932, *Toward Soviet America* was published.[1] It was written by William Z. Foster, then national chairman of the communist party in the United States. In the book, Foster says:

"Naturally, American Socialist industry will be operated upon the basis of a planned economy. . . .

"A Socialist society without a planned economy is unthinkable, even as it is unthinkable that a capitalist society should work on the basis of scientific planning. . . .

"The [American] Soviet government will initiate at once a vast housing program. All houses and other buildings will be socialized. . . . A great drive will be made to demolish the present collection of miserable shacks and tenements and build homes fit for the workers to live in."[2]

Since this book was written in 1932, the federal government has instituted many programs which are completing Foster's schemes for a Soviet America. Federally financed urban renewal is among the most vicious of these programs.

Authority for Urban Renewal

Basic "authority" for the federal government to finance urban renewal is in Title I of the Housing Act of 1949 (approved July 15, 1949), which provides for federal aid in slum clearance and redevelopment. The Housing Act of 1954 (approved August 2, 1954) broadened the provisions of Title I, to include not only slum *clearance* but slum *prevention*. The 1954 Housing Act authorized federal aid for the rehabilitation of *blighted and deteriorating* areas, the apparent purpose being to rejuvenate deteriorating areas before they become slums.

All federal housing laws and all federal laws providing federal financing for housing

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(including the FHA) are, of course, unconstitutional, because our Constitution makes no grant of power for the federal government to engage in such activity.

Even under the unconstitutional Housing Act, however, the urban renewal program, as we now know it, was not possible, because urban renewal involves not only activities of the federal government, but also elimination of private property rights, at state and local levels, in violation of the most ancient and important concepts of human freedom.

About three months after the Housing Act of 1954 became law, a Supreme Court decision opened the way for such elimination of private property rights — which was necessary before the urban renewal program could really get under way. The decision involved an urban renewal case in Washington, D. C.

Supreme Court Dictum

Under a 1945 law providing for housing and redevelopment in the District of Columbia, federal housing agencies selected an area of Southwest Washington for urban renewal. Some property in the area was run-down and over-crowded. Some consisted of small business establishments and modest, but respectable, homes. The federal agencies condemned *all* property, however, because even the clean and respectable places were not as pretty as the government officials wanted.

Owners of a small department store brought suit in federal court to enjoin the condemnation of their property. They contended that their property was not a slum and that it was not residential; that their property was not being taken for public use but was being seized for resale to private purchasers for private development; and that the Fifth Amendment protected them from such seizure.

The case went to a three-judge Federal District Court, which said:

"We have the problem of the area which is not a slum but which is out-of-date, called by the Government blighted or deteriorated. . . .

"We are of opinion that the Congress, in legislating for the District of Columbia, has no power to authorize the seizure by eminent domain of property for the sole purpose of redeveloping the area according to its, or its agents', judgment of what a well-developed, well-balanced neighborhood would be. . . .

"The Government says that it has determined that project area B in the case at bar is an appropriate area for redevelopment, that slums exist in that area, and that therefore it may seize the title to all the land in the area and, having replanned it, sell it to private persons for the building of row houses, apartment houses, commercial establishments, etc. In essence the claim is that if slums exist the Government may seize, redevelop, and sell all the property in any area it may select. . . . This amounts to a claim on the part of the authorities for unreviewable power to seize and sell whole sections of the city.

"It [project area B] covers about fifteen square city blocks. It lies within a census tract in which slum conditions are said to exist. . . . Its western boundary is an irregular line which runs around lots, encompasses some establishments along a street and excludes others on the same side of the same street. . . . It excludes certain properties, and under it, certain other properties would be sold back to the present owners or be retained by them. The key to the [urban renewal] plan . . . is the opinion of the Government authorities that residential neighborhoods should be 'well-balanced.'. . .

"In sum the purpose of the plan . . . is to create a pleasant neighborhood. . . . The Government is to determine what conditions are pleasant. . . .

"Of course, the plan as pictured in the prospectus is attractive. . . . It would be difficult to think of a village, town or city in the United States which a group of artists, architects and builders could not improve vastly if they could tear down the whole community and rebuild the whole of it. But as yet the courts have not come to call such pleasant accomplishments a public purpose which validates Government seizure of private property. The claim of Government power for such purposes runs squarely into the right of the individual to own property and to use it as he pleases. Absent impingement upon rights of others, and absent public use of compelling public necessity for the property, the individual's right is superior to all rights of the Government and is impreg-

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nable to the efforts of Government to seize it. . . . One man's land cannot be seized by the Government and sold to another man merely in order that the purchaser may build upon it a better house or a house which better meets the government's idea of what is appropriate or well-designed."[3]

The Supreme Court heard the case on appeal; and, on November 22, 1954, the Court (William O. Douglas writing the opinion) said, in essence, that Congress, in the District of Columbia, has unlimited authority to determine what the public good is and unlimited power to use any means whatever to achieve that good. The Court said that state legislatures have the same power over all communities in their states.[3]

Urban renewal, as mass madness on a national scale, was about ready to begin — but not entirely ready.

Zoning Laws

City governments, before they can get tax money from the federal treasury for urban renewal projects, need zoning laws[4] "with teeth in them" — that is, laws which give city officials power to control the use of private real estate: to determine which neighborhoods shall be residential, what kind of houses are permitted, how they must be located on lots, how the yards may be fenced; which neighborhoods may have churches and apartment houses, which ones may not; which neighborhoods may have business establishments, and what kind.

Unless city governments have zoning laws giving them such power over private property owners, they cannot design a "Workable Program" for an urban renewal project. "Workable Program" is a phrase of the Washington bureaucracy. It means, an urban renewal project pleasing to federal housing officials.

Even such powerful zoning laws do not, however, give city governments *all* the power they need for participation in urban renewal, because, as stated before, urban renewal involves *elimination* of private rights in real estate. With zoning laws, city governments can limit a man's freedom to *use* his property, but they cannot take his property away from him.

State Urban Renewal Laws

The November 22, 1954, Supreme Court decision said that state legislatures could seize private property at will, for any purpose which the legislators claimed to be good. So, another step was necessary in the removal of roadblocks to a really massive, national urban renewal program: state governments must pass on to city governments limitless power to confiscate private property. That is, each state legislature must pass an urban renewal law, "authorizing" city governments to seize private real estate in areas designated for urban renewal projects.

Eminent Domain

In any civilized society, there will arise occasions when an individual owns property that government needs for a *public use* that is *necessary* to the welfare of the whole people. *Eminent Domain* is the power of government to force individuals, on such occasions, to *sell* the property, at a fair price, to the government, for the *necessary public use*.

This is not a constitutionally granted power, but is, rather, a power implicit in the formation of government. In the American system, eminent domain should be exercised only by state and local governments, except in time of actual, congressionally-declared war.

It is in the nature of human beings that men in governing positions try to govern: they try to use their power to make the governed people do what is considered good for them. When schemes for promoting general welfare fail to accomplish all that was promised, governing officials instinctively say the failure resulted from too little power in their hands: their programs would have succeeded if they had had

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more power. So, they reach for the power they say they need for the successful promotion of general welfare.

There always has been this conflict between government and the people who are governed — no matter what kind of government it is: all governments are always reaching for more power so that they can do to and for the people what government thinks good for the people.

In a nation where people love freedom; where they know the truth, that all governments will become tyrannical if permitted; where they consider the rights of individuals as sacred; and where they have the character to fight for the freedom they cherish — people will habitually resist every act of government that is an encroachment upon the sacred rights of individuals. They will resist so consistently and noisily that, in every instance, government will have to prove its case before violating citizens' rights: government will have to prove that the "public need" is so great and self-evident that all reasonable men concede the necessity, *in this one instance,* of sacrificing individual rights for the good of the whole people.

When government reaches for more power in order to do things for the "public good," there are always special interests and individuals who stand to profit from the proposed governmental activity. These join the politicians in propagandizing the "urgent public need" that is to be served. Their propaganda is reinforced by legions of dreamers who imagine that political and economic power concentrated in the hands of governmental officials can wipe out all human ugliness and create heaven on earth. This combination of forces is frequently powerful enough to make any individual resistance of illegitimate governmental power look like the action of a crackpot or scoundrel.

Since the beginning of our national life, therefore, there have been abuses of eminent domain. But, for many years, each abuse was an isolated case, which could not be used as a precedent, or "authority," for other abuses. Indeed, public resistance to governmental action which encroached upon individual rights was, for a long time, so wholesomely habitual in the United States that state and local governments generally had extreme difficulty in exercising eminent domain even when the public use to be served seemed obviously necessary.

In short, America was a nation where the awesome power of eminent domain was held in reasonable check by a people who knew that the right to be secure in the ownership and use of private property is essential to the life of a free man; who knew that, without the right to own and use property, a man has no means of providing the necessities of life, except as the governing power permits him — who knew that a government which can take your property can take your life.

The Big Job to Do

For urban renewal, a city government seizes one man's property; uses tax money to enhance its value; and then sells it to another man, for considerably less than was given to the man from whom it was confiscated. The buyer can then get tax money to develop the property for his own private, profitable use, provided only that he build something the official planners like.

The man from whom the property was seized may be grievously hurt; the man who bought it a reduced price, to redevelop, with tax money, for his own use, profits greatly; and his profits are made possible, in part, by taxes imposed on the man forced to sell in the first place. But no matter; and no matter whether the finished project pleases the people who live and work in it — and whose taxes help pay for it: this is urban renewal.

If it was traditionally difficult for city governments to seize an occasional piece of private property for *necessary* public use, even when the public need was obvious and urgent, how could Americans ever be led to accept urban renewal? Urban renewal requires seizures of all private property in large areas (at whatever the cost in tax money) and causes the uproot-

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ing of entire communities of families and established businesses (at whatever the cost in heartbreak and financial loss for those uprooted) for no public need at all — unless one considers it a public need to tear down and rebuild whole sections of a city in order to please public planning officials!

How could Americans be persuaded to tolerate such a program, and pay for it with their tax money?

It took a lot of doing. This was a propaganda bombardment job which required the heaviest artillery. And that is what was used. The invisible government did the job with professional thoroughness.

The Invisible Government

The invisible government is a group of powerful, widely respected, and, for the most part, very wealthy individuals who support, work through, and control a bewildering network of tax-exempt organizations. The primary sources of revenue for all the organizations are the big tax-exempt foundations — mainly Rockefeller, Carnegie, and Ford — though all are also financed, to some degree, by business firms which profit from the governmental policies which the network fosters.

The controlling center of this network is the Council on Foreign Relations, whose key members hold memberships in related and subsidiary organizations, and occupy influential positions in government, in foundations, in educational institutions, in the communications industry, in finance.

These individuals form an elite group who set the policies of the federal government; and, through a vast, interlocking combine of educational and opinion-forming agencies, they influence or control the propaganda which persuades Congress and the public to accept the policies.

This is the team which undertook the job of bombarding the nation with enough propaganda to "sell" urban renewal.

In the summer of 1954, Congress enacted the necessary law (Housing Act of 1954) to provide tax money for urban renewal out of the national treasury. In November, 1954, the Supreme Court handed down a decision which would give all urban renewal laws and directives the odor of legal sanctity.

The invisible government assumed the job of selling urban renewal to local and state governments, and to the people.

City governments without strong zoning laws had to be persuaded to adopt them. This was relatively easy. A group of tax-exempt organizations had already been working on the zoning-law problem for a long time. The American Committee for International Municipal Cooperation; the American Municipal Association; the American Society for Public Administration; the American Society of Planning Officials; the International City Managers' Association; the Municipal Finance Officers Association; the National Association of Housing and Redevelopment Officials; the Public Administration Service — all these organizations are housed at 1313 East 60th Street, Chicago, in a Chicago University building financed with Rockefeller Foundation money. Most of them have the same sources of income that the Council on Foreign Relations has. Many of them have, among their boards of directors and trustees, men who occupy similar positions in the CFR or in related organizations.

There are few city governments in the land which are not under strong influence from one or more of these organizations — virtually all of which are sympathetic to the idea that modern cities must have strong zoning laws.

State legislatures had to be persuaded to pass urban renewal laws, authorizing cities to seize private property for urban renewal projects. This could be done largely as a by-product of the big effort needed to convince the people that urban renewal is not only good and proper, but also necessary and inevitable.

In May, 1957, the Committee for Economic Development (one of the most influen-

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tial tax-exempt organizations in the Council on Foreign Relations network) set up its Area Redevelopment Committee — which quickly became both a fountainhead and control center for a mammoth nationwide propaganda drive for urban renewal.

In 1957, the CED had programs "to improve the teaching of economics in the public schools . . . operating in 39 states." The CED's College-Community Research Centers had "projects in progress" in 33 institutions of higher learning. Twenty institutions of higher learning were participating in the CED's "College Program," to develop training in economics for prospective teachers. The CED was operating "summer workshops" to provide training in economics for thousands of school teachers throughout the nation. The CED was operating high school community projects in the teaching and understanding of modern economics; and it was operating a "Cooperating School Program," to demonstrate the teaching of economics, in 20 public school systems from California to Rhode Island.

The Committee for Economic Development set up "CED Associates" — groups of young businessmen, under the guidance of college professors and of key CED or CFR members — in cities throughout the nation. The "CED Associates" were supposed to bring to their communities a better understanding of modern economics. They, like the school and college programs of CED, were excellent vehicles for the dissemination of "area redevelopment" (that is, urban renewal) propaganda.

Information in press handouts and pamphlets issued by the CED's Information Division customarily reach (according to CED's official boast) more than 19 million people.

These are just a *few* of the organized activities of *one* of the multitude of "private" agencies which went into high gear to sell urban renewal to the public in 1957.

ACTION — American Council to Improve Our Neighborhoods — was also set up, with national headquarters in New York City. This group sponsors neighborhood meetings where city planning experts tell local citizens how they can take *Action* to prevent their cities from deteriorating and their neighborhoods from becoming slums; and the organization distributes well-prepared pamphlets showing how *Action* has been, and can be, taken. The *Action* insistently emphasized is, of course, federally financed urban renewal.

Of the 66 persons on the ACTION Board of Directors, a controlling majority are:

known members of the Council on Foreign Relations — such as Philip L. Graham and Stanley Marcus;

known members of important CFR affiliates — such as, Sidney Weinberg of the Business Council;

union bosses like Harry C. Bates, Ben Fischer, Joseph D. Keenan, Jacob S. Potofsky, Walter Reuther;

bureaucrats in charge of various "Housing Authorities," including Dr. Robert Weaver, Kennedy's present Housing Administrator whose appointment was challenged in the Senate because of Dr. Weaver's alleged communist front record;

"liberal" politicians dedicated to the total socialist revolution — such as, Joseph S. Clark, Jr., U. S. Senator from Pennsylvania;

officials of construction and real estate firms which can make mammoth profits on urban renewal projects and who are also "liberal" in their support of all governmental controls and subsidies, the tools for converting capitalism into socialism — such as, William Zeckendorf;

representatives of organizations also "liberal" in the sense indicated above — such as, Philip M. Klutznick of B'nai B'rith, and Mrs. Kathryn H. Stone of the League of Women Voters.

The Advertising Council, another tax-exempt organization in the invisible government network, features free "public service" announcements on radio and television networks, touting the work of ACTION.[5]

Here is a partial list of business organizations particularly active in supporting urban renewal:

Allegheny Conference on Community Development (Pittsburgh)
Allied Stores Corp.
Aluminum Co. of America

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Atlantic & Pacific Tea Co.
Bessemer Securities Corp.
Cabot, Cabot & Forbes (Boston)
Connecticut Bank & Trust Co.
Crown Zellerbach Corp.
Draper & Kramer, Inc. (Chicago)
General Electric Co.
Greater Boston Chamber of Commerce
Hartford National Bank
Hecht Department Store
(Washington, D. C.)
Henry J. Kaiser Co.
Hilton Hotels, Inc.
Holiday Inns
Hotel Corp. of America
James W. Rouse & Co.
J. C. Penney & Co.
John Hancock Mutual Life Insurance Co.
Julius Garfinckel Department Store
(Washington, D. C.)
Macy's Department Store
Marriott Motor Hotels
Metropolitan Life Insurance Co.
Mutual Benefit Life Insurance Co.
National Gypsum Co.
New York Life Insurance Co.
Phoenix Mutual Life Insurance Co.
Portland Cement Association (Chicago)
Prudential Insurance Co. of America
Public Service Electric & Gas Co. (Newark)
Raymoud Rebsamen (Little Rock)
Republic Steel Corp.
Reynolds Aluminum
Safeway Stores, Inc.
Sears, Roebuck & Co.
Sheraton Corp. of America
Southern New England Telephone Co.
Time, Inc.
Travelers Insurance Cos.
Turner Construction Co. (New York)
Woodward & Lothrop Department Store
(Washington, D. C.)[6]

And Then the Moon?

In May, 1957, when the invisible government's Committee for Economic Development created the Area Redevelopment Committee, urban renewal was in its infancy.

By the end of the Eisenhower Administration, urban renewal had become a major national movement which was engaged in wholesale destruction of private property rights, and opening rich veins of public money for graft, corruption, and political vote-buying. Houston, Texas, appeared to be the only major city left in the United States without zoning laws; and only five states in the union — Idaho, Louisiana, South Carolina, Utah, and Wyoming — had refused to pass the necessary laws "authorizing" confiscation of private property for private use in urban renewal projects.[7]

Yet, in his first "housing" message to Congress (March 9, 1961), President Kennedy said the urban renewal program must be expanded.

The Housing Act of 1961 did expand urban renewal activities in the United States; and the Foreign Assistance Act of 1961 expanded them abroad. United States taxpayers are now paying for urban renewal in foreign lands; and ambitious schemes are afoot to provide urban renewal for the world.

Toward Soviet America

To promote urban renewal from a state of infancy in 1957, to what it is now, took, as I said earlier, a lot of doing. All the credit for this accomplishment cannot be given to the tax-exempt organizations and business firms and labor unions, interlocked with or manipulated by the Council on Foreign Relations.

Agencies of the federal government have also been busy, with tax money, pouring out tons of propaganda to sell urban renewal.

One of the most attractive selling pieces for urban renewal was published in March, 1958, by the Housing and Home Finance Agency in Washington. It is an expensive-looking 12-page pamphlet entitled "Aids to Your Community — Programs of the Housing and Home Finance Agency."

The pamphlet is an advertising brochure, simply worded and simply illustrated (for the unsophisticated officials in provincial cities, no doubt), telling city fathers exactly how to go about getting federal money for urban

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renewal — from the initial cost of making surveys to decide that a project is needed, to the final costs of providing public housing for persons evicted from the project area and of lending money to the private real estate dealers who "develop" the area (for their own profit). From the pamphlet:

"Through its regional offices, the Housing and Home Finance Agency provides a sort of one-stop service station for communities to use these aids. . . .

"When city fathers work up to the state of transforming a rundown, blighted area through the process of urban renewal, a helping hand is available from the federal government."

Notice how much more effectively American bureaucrats can sell the socialist idea than communists can manage to do.

Communist William Z. Foster demands, in harsh and bitter tone, that the building industry be socialized so that the "miserable shacks" of capitalism can be torn down and replaced with public housing "fit for workers."(2)

The Housing bureaucrats talk affectionately and gently about city fathers transforming blighted areas. Yet communist Foster and the Housing bureaucrats are talking about the same thing: socializing the building industry in the United States, as one step toward the ultimate goal of a socialist America (Foster called it a Soviet America, which means the same).

Part II

Next week, I will present more about the plans for worldwide urban renewal, and look further into the rationale and activities of urban renewal in the United States.

FOOTNOTES

(1) Republished in 1961, with a Foreword by the Chairman of the House Committee on Un-American Activities, and with chapter notes by Maurice Ries: Elgin Publications, Box 162, Balboa Island, California, price $4.75

(2) *Toward Soviet America*, William Z. Foster (*see* Footnote 1 for details), pp. 290, 281

(3) *Congressional Record*, March 17, 1959, pp. 3907 ff.

(4) "HHFA Aids to Communities In Area Redevelopment," booklet by the Housing and Home Finance Agency, Washington 25, D.C., August, 1962, p. 7

(5) For further details regarding the activities of the CED, ACTION, and other groups affiliated with the Council on Foreign Relations, see the book *Invisible Government* by Dan Smoot.

(6) *Congressional Record*, October 3, 1962, pp. 20891 ff.

(7) *Congressional Record*, October 5, 1962, p. 21232

WHO IS DAN SMOOT?

Dan Smoot was born in Missouri. Reared in Texas, he attended SMU in Dallas, taking BA and MA degrees from that university in 1938 and 1940.

In 1941, he joined the faculty at Harvard as a Teaching Fellow in English, doing graduate work for the degree of Doctor of Philosophy in the field of American Civilization.

In 1942, he took leave of absence from Harvard in order to join the FBI. At the close of the war, he stayed in the FBI, rather than return to Harvard.

He worked as an FBI Agent in all parts of the nation, handling all kinds of assignments. But for three and a half years, he worked exclusively on communist investigations in the industrial midwest. For two years following that, he was on FBI headquarters staff in Washington, as an Administrative Assistant to J. Edgar Hoover.

After nine and a half years in the FBI, Smoot resigned to help start the Facts Forum movement in Dallas. As the radio and television commentator for Facts Forum, Smoot, for almost four years spoke to a national audience giving both sides of great controversial issues.

In July, 1955, he resigned and started his own independent program, in order to give only one side — the side that uses fundamental American principles as a yardstick for measuring all important issues.

If you believe that Dan Smoot is providing effective tools for those who want to think and talk and write on the side of freedom, you can help immensely by subscribing, and encouraging others to subscribe, to *The Dan Smoot Report.*

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